THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) Yes, Sir. The Commission have recommended reduction in rate of interest for crop loans to 4% simple, with Government support, instead of compound rate of interest for arrears.

(c) and (d) The Government have decided to allow the farmers to secure, effective from kharif 2006-07, short-term credit at 7% with an upper limit of Rs. 3,00,000 on the principal amount.

Decreasing agricultural production

2869. SHRI ABU ASIM AZMI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Union Government are aware that as a result of "Law of Diminishing Return" the agriculture production in the country has been decreased tremendously during the last three years;

(b) if so, the States that have suffered heavily as a result thereof, year-wise;

(c) the difference between the estimated and the actual production during that period;

(d) how far the farmers have suffered heavy losses in this regard and how far the prices of agricultural produces have increased during the last three years, year-wise; and

(e) the steps being taken by Union Government to maintain proper agricultural production and its prices?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) The agricultural production in the country fluctuates mainly because of the abrupt change in whether conditions since about 60% of the net sown area is rain fed in the country. In 2003-04, the foodgrains production reached an all time record level of 213.19 million tonnes so also the production of total oilseeds which reached an all time record level of 25.19 million tonnes. Although, in 2004-05 the production of foodgrains and oilseeds declined *vis-a-vis* record production in the previous year, the production of cotton reached an all time record level of 16.43 million bales of 170 kgs. each. In 2005-06, as per the 3rd advance estimates the production of soyabean and sunflower are expected to reach record levels of 8.36 million tonnes and 1.43 million tonnes respectively. As a consequence, the production of total nine oilseeds is also expected to reach a record level of 26.70 million tonnes. Sugarcane

production has also increased substantially from 234 million tonnes in 2003-04 to 273 million tonnes in 2005-06 (3rd Advance Estimates).

(c) The estimated production of different crop at the 4th advance estimates stage and actual production during 2002-03, 2003-04 and 2004-05 are shown in the Statement *See* below. The difference between two sets of production figures shows a mixed trend.

(d) In order to ensure remunerative prices to the farmers for their produce, the Government announces each season Minimum Support Prices (MSPs) for major agricultural commodities based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). Whenever the prevailing market prices fall below the MSPs, the Government through its designated agencies like Food Corporation of India (FCI), National Agricultural Co-operative Marketing Federation of India (NAFED), Cotton Corporation of India (CCI) undertake procurement in order to avoid distress sale by the farmers. The increase in MSPs and procurement for various crops done by the Government agencies so far to avoid losses to the farmers during 2003-04, 2004-05 and 2005-06 are shown in the Statements II and III respectively (*See* below).

(e) Government is implementing a number of schemes for development of the Agriculture, Horticulture and Livestock sectors. The strategies formulated by the Government for making the agriculture sector more vibrant and dynamic so as to increase its production and productivity with resultant increase in the income of farmers include (i) enhancing institutional credit flow to the farmers and strengthening of cooperative credit structure; (ii) ensuring the timely availability of quality inputs; (iii) promoting farmer friendly, demand driven agriculture extension system; (iv) accelerating diversification to high value crops including horticulture activities; (v) strengthening infrastructure and the supply chain; (vi) optimizing the efficient utilization of available water resources through micro irrigation and enhancing the sustainability of dry-land/rainfed farming system; (vii) reforming agricultural markets, and widespread use of post harvest technology; and (viii) putting in place a broader spectrum of risk management appartus for farmers.

In addition to the Minimum Support Price, for major crops, the Government is also implementing Market Intervention Scheme (MIS) on the request of a State/UT Government for procurement of agricultural and horticultural commodities generally perishable in nature and not covered under Minimum Support Price Scheme.

Statement-I

Estimates of foodgrains and commercial crops 2002-03 to 2004-05 at different stages.

(Million Tonnes)

Crops	2002-03		2003-04		2004-05	
	4th Advance Estimates	Fully Revised	4th Advance Estimates	Fully Revised	4th Advance Estimates	Final Revised
Foodgrains	182.57	174.77	212.05	213.19	204.61	198.36
Oilseeds	15.75	14.84	25.14	25.19	17.00	24.35
Sugarcane	278.56	287.38	236.18	233.86	232.32	237.09
Cotton*	9.31	8.62	13.79	13.73	9.64	16.43
Jute & Mesta**	10.78	11.28	11.20	11.17	10.49	10.27

*Production in million bales of 170 kgs. each

**Production in million bales of 180 kgs. each.

Statement-II

Minimum Support Price

(Rs./Quintal)

Sl. No.	Commodity	Variety	2003-04	2004-05	% increase	2005-06 $	% increase
1	2	3	4	5	6	7	8
	Kharif Crops						
1.	Paddy	Common	550.0	560.0	1.8	570.0	1.8
		Grade "A"	580.0	590.0	1.7	600.0	1.7
2.	Jowar		505.0	515.0	2.0	535.0	1.9
3.	Bajra		505.0	515.0	2.0	525.0	1.9
4.	Maize		505.0	525.0	4.0	540.0	2.9

1	2	3	4	5	6	7	8
5.	Ragi		505.0	515.0	2.0	525.0	1.9
6.	Arhar (Tur)		1360.0	1390.0	2.2	1400.0	0.7
7.	Moong		1370.0	1410.0	2.9	1520.0	7.8
8.	Urad		1370.0	1410.0	2.9	1520.0	7.8
9.	Cotton	F-414/H-777/J34	1725.0	1760.0	2.0	1760.0	0.0
		H-4	1925.0	1960.0	1.8	1980.0	1.0
10.	Groundnut		1400	1500.0	7.1	1520.0	1.3
11.	Sunflower		1250.0	1340.0	7.2	1500.0	11.9
12.	Soyabean	Black	840.0	900.0	7.1	900.0	0.0
		Yellow	930.0	1000.0	7.5	1010.0	1.0
13.	Sesamum		1485.0	1500.0	1.0	1550.0	3.3
14.	Nigerseed		1155.0	1180.0	2.2	1200.0	1.7
	Rabi Crops						
15.	Wheat		630.0	640.0	1.6	650.0	1.6
16.	Barley		525.0	540.0	2.9	550.0	1.9
17.	Gram		1400.0	1425.0	1.8	1435.0	0.7
18.	Masur		1500.0	1525.0	1.7	1535.0	0.7
19.	Rapeseed & Mustard		1600.0	1700.0	6.3	1715.0	0.9
20.	Safflower		1500.0	1550.0	3.3	1565.0	1.0
21.	Toria		1565.0	1665.0	6.4	1680.0	0.9
	Other Crops						
22.	Copra	Milling	3320.0	3500.0	5.4	3570.0	2.0
	(Calender year	Ball	3570.0	3750.0	5.0	3820.0	1.9
23.	Jute		860.0	890.0	3.5	910.0	2.2
24.	Sugarcane@		73.0	74.0	2.1	79.5	6.7
25.	Tobacco (VFC)Black Soil (F2 Gr)		31.0	32.0	3.2	32.0	0.0
	(Rs/Kg.	Light Soil (L2 Gr)	33.0	34.0	3.0	34.0	0.0

@ Statutory Minimum Price (SMP) linked to a basic recovery of 8.5% with proportionate premium to September 2006, while for rabi crops the MSPs shall be effective during their marketing period *i.e.* from 1st April 2006 to 31st March 2007.

Statement-III

Procurement

(Lakh Tonnes)

	2003-04	2004-05	2005-06	2006-07
Rice	228.28	246.84	240.98@	NA
Wheat	158.00	167.96	147.87@	91.64
Cotton*	9.02	27.51	12.47@	NA

@As on 10.05.2006.

NA: Not Applicable.

*Lakh Bales of 170kg each.

Source: FCI for Rice and Wheat, Cotton Corporation of India for Cotton.

(Tonnes)

Oilseeds	Rabi 2003	Rabi 2004	Kharif 2004	Rabi 2005	Kharif 2005
Mustard	Nil	18577	Nil	2093298	Nil
Sunflower	Nil	2330	Nil	30	628
Safflower	Nil	71	Nil	31805	Nil
Sesamum	Nil	Nil	Nil	1127	Nil
Groundnut	—	—	247	—	956
Soyabean	—	—	Nil	—	866

Source: NAFED

Amendments in the Co-operative laws

2870. SHRI N.R. GOVINDARAJAR: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government have any proposal to make the amendments in the co-operative laws for better functioning of Co-operative institutions;

(b) if so, the details thereof; and